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August 12, 2008

Honorable Laura Taylor Swain
United States District Judge
Daniel Patrick Moynihan
United States District Courthouse
500 Pearl Street
New York, New York 10007

RE: MCIS Zurich Insurance a/s/o MetTube Sdn. Bhd. and
Seagrove International Shippers v. Hanjin Shipping Co., Inc. v.
Union Pacific Railroad Company
Docket Number: 08 Civ. 4054 (LTS)
Our Refs.: 08-W-001-JPK and 08-W-002-JPK

Honorable Laura Taylor Swain:

Further to Your Honor's Initial Conference Order dated May 8, 2008, the parties have conferred preliminarily and set forth the following matters for Your Honor's consideration.

A. Facts Not In Dispute

1. This is an admiralty and maritime action.
2. Hanjin Shipping issued bill of lading number HJSCPKLA0375206 for the carriage of container HJCU7696275 from Port Kelang to the rail destination in Texas via Long Beach, California on CY/CY terms.
3. Hanjin issued bill of lading HJSCPKLA03375603 for the carriage of container INBU4773374 from Port Kelang to the rail destination in Texas via Long Beach on CY/CY terms.
4. Hanjin was a charterer of the vessels that carried the containers from Port Kelang to Long Beach.

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5. Hanjin sub-contracted with Union Pacific Railroad Company for the rail carriage of the containers from Long Beach to the rail destination in Texas.

6. The Hanjin bills of lading reference service contract AEF19715.

B. Facts In Dispute

1. The total amount of damages allegedly sustained by plaintiff.
2. Whether said damage was caused by improper handling during transit or due to improper stowage within the ocean shipping containers.
3. The cause of the alleged cargo damage.

C. Contested Legal Issues

1. Whether Union Pacific is liable for any alleged damage to the shipment caused by improper loading and/or securement based upon the provisions of applicable law and the Master Intermodal Transportation Agreement (the "MITA").
2. Whether a timely claim was filed with Union Pacific.
3. Whether a timely suit was filed with Union Pacific.
4. Whether the Court has subject matter jurisdiction over Union Pacific.
5. Whether the venue against Union Pacific is improper.
6. Whether there is privity of contract between plaintiff and Union Pacific.
7. Whether pursuant to the Exemption Transportation Agreement (The "ERTA") between Hanjin and Union Pacific, claims between Hanjin and Union Pacific are subject to mandatory arbitration in New York.
8. Whether Hanjin is liable to plaintiff.

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9. Whether liability, if any, is limited to \$500.00 per coil.

10. Whether plaintiff mitigated damages.

D. Disclosures

1. Union Pacific provided its Initial Disclosure Statement to opposing counsel by mailing same on July 8, 2008.

2. Plaintiff and Hanjin will provide their Initial Disclosure Statements on or around the time of the initial Pre-Trial Conference.

E. Amendments to Pleadings

1. By August 28, 2008.

F. Settlement

1. Not discussed.

G. Mediation

1. To be discussed by the parties.

H. Trial

1. Bench Trial

I. Magistrate Judge

1. Not requested for trial.

J. Discovery

1. Complete discovery by December 22, 2008.

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K. Expert Witnesses

1. Complete by November 20, 2008.

L. Dispositive Motions

1. Complete by January 30, 2009.

M. Length of Trial

1. Two days.

Respectfully submitted,

BADIAK & WILL, LLP

JPK/lmw



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